

**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

In the Matter of	)	
	)	
Applications for Consent to the	)	
Transfer of Control of Licenses and	)	
Section 214 Authorizations from	)	CS Docket No. 98-178
	)	
Tele-Communications, Inc.,	)	
Transferor,	)	
	)	
To	)	
	)	
AT&T Corp.,	)	
Transferee	)	
	)	
	)	

**ORDER**

**Adopted: May 9, 2002**

**Released: May 13, 2002**

By the Commission:

1. In this Order, we remove certain conditions attached to our approval of the merger of AT&T Corp. ("AT&T") and Tele-Communications, Inc. ("TCI").<sup>1</sup> This action is taken in response to a letter from counsel for Liberty Media Corporation ("LMC") seeking Commission guidance in light of the proposed elimination of certain parallel conditions that were imposed by the United States Department of Justice ("DOJ").<sup>2</sup>

2. At the time of the merger, AT&T provided interconnected mobile telephone service through its ownership and operation of AT&T Wireless Services, Inc. ("AWS"). At the same time, TCI held an attributable equity and voting interest in Sprint Corp. ("Sprint"), which, through its Sprint PCS subsidiary, is a competing provider of mobile telephony service. In order to comply with our Commercial Mobile Radio Service spectrum aggregation limit ("spectrum cap")<sup>3</sup> and to address our concerns about potential

<sup>1</sup> *Applications of AT&T Corp. and Tele-Communications, Inc. for Transfer of Control of Tele-Communications, Inc. to AT&T Corp.*, 14 FCC Rcd. 3160 (1999) ("AT&T-TCI Merger Order").

<sup>2</sup> *Letter from Robert L. Hoegle, Counsel to Liberty Media Corporation, to Jane E. Mago, General Counsel, Federal Communications Commission* (Mar. 5, 2002) ("LMC Letter"). Separate proceedings remain pending relating to the DOJ conditions. Our action herein is based on our analysis of the Commission-imposed conditions and is not intended to prejudice any action that may be taken in the other proceeding.

<sup>3</sup> *AT&T-TCI Merger Order*, 14 FCC Rcd. at 3207-3209, ¶¶ 98-100 (citing 47 C.F.R. § 20.6). On November 8, 2001, the Commission completed its reexamination of the CMRS spectrum cap as part of its 2000 biennial review, and adopted an order that sunsets the cap effective January 1, 2003, and establishes a transition period during which the

(continued....)

harm to competition in the provision of mobile telephony services, AT&T and TCI committed to divest the Sprint interest, and to do so through a trust mechanism over a five-year period.<sup>4</sup>

3. Upon consummation of the merger, AT&T acquired TCI subsidiary Liberty Media Group, which held the interest in Sprint, and a divestiture trust was established to hold title to the Sprint shares during the divestiture period. Since that time, AT&T has spun off both Liberty Media Group and AWS.<sup>5</sup> As a consequence, AT&T neither owns nor controls either LMC or AWS, nor is there any significant overlapping ownership between these entities.<sup>6</sup> In light of these changed circumstances there is no longer any regulatory reason to maintain the divestiture condition.<sup>7</sup>

4. Accordingly, IT IS ORDERED, pursuant to sections 4(i) and (j), 214(a), 214(c), 309 and 310(d) of the Communications Act of 1934, as amended, 47 U.S.C. §§ 154(i), 154(j), 214(a), 214(c), 309, 310(d) that the AT&T-TCI divestiture conditions contained in paragraphs 157 and 158 of the *AT&T-TCI Merger Order*<sup>8</sup> ARE REMOVED effective immediately.

FEDERAL COMMUNICATIONS COMMISSION

Marlene H. Dortch  
Secretary

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cap is set at 55 MHz. *2000 Biennial Regulatory Review Spectrum Aggregation Limits for Commercial Mobile Radio Services*, WT Docket No. 01-14, Report and Order, 16 FCC Rcd. 22668 (2001).

<sup>4</sup> *AT&T-TCI Merger Order*, 14 FCC Rcd. at 3210, ¶ 112.

<sup>5</sup> *LMC 10-Q filing with the Securities and Exchange Commission* (Aug. 14, 2001) (describing the spin off of Liberty Media Group, effective August 10, 2001); *AT&T Corp. 10-Q filing with the Securities and Exchange Commission* (Aug. 14, 2001) (describing the spin off of AWS effective July 9, 2001).

<sup>6</sup> According to documents filed in a pending court proceeding to remove the DOJ conditions on the AT&T-TCI merger, AT&T “no longer owns any Liberty Media Corporation stock or has any other legal or economic interest in Liberty.” *LMC Letter* at 2 (citing *United States v. AT&T Corp. and Tele-Communications Inc.*, Case No. 98-3170, Memorandum in Support of Joint Motion to Terminate Final Judgment at 5 (Feb. 20, 2002)). AT&T also does not have a disclosable interest in AWS, as such interests are defined in Sections 1.2110 and 1.2112 of our rules. *Ownership Report of AT&T Wireless, Inc. on FCC Form 602* (filed Mar. 6, 2002). Moreover, according to their 2001 annual report filings with the Securities and Exchange Commission, AT&T, AWS, and LMC do not share any common officers or directors.

<sup>7</sup> As the LMC Letter notes, the agreement establishing the divestiture trust expressly requires grant of FCC approval for certain acts or omissions, including the failure to meet an interim divestiture deadline contained in the *AT&T-TCI Merger Order*. *LMC Letter* at 3 (citing agreement dated March 9, 1999 among Liberty PCS Trust, TCI Wireless Holdings, Inc. and M. LaVoy Robison, Trustee, Section (3)(a)(i) (“Trust Agreement”). The instant order is intended to grant the approval required by Section 3(a)(i) of the Trust Agreement.

<sup>8</sup> *AT&T-TCI Merger Order*, 14 FCC Rcd. at 3235, ¶¶ 157-158.